

21 November 1953

MEMORANDUM FOR: Acting Deputy Director (Administration)

SUBJECT : Presentation by Mr. Robert Macy, Bureau of the Budget,
Before the Intelligence Advisory Committee, Tuesday,
17 November 1953.

In accordance with your recent request, there is submitted the following summary of the presentation by Mr. Robert Macy, Bureau of the Budget, before the Intelligence Advisory Committee, 17 November 1953, and our comments with respect to the presentation:

SUMMARY OF PRESENTATION:

1. Mr. Macy indicated that the President, Mr. Dodge, and the Congress are becoming increasingly interested in the total intelligence effort of the Government including relationship of one agency activity to another, duplications between agencies, and total costs. The Bureau of the Budget feels that the Executive Branch should make its own analysis before Congress finds it necessary to make a review independently.
2. The review requested is to be completed by the middle of March, 1954, and is to accomplish the following:
 - (1) Determine how much of our national resources are being devoted to each major security program;
 - (2) Determine how these resources are being distributed among the various intelligence activities; and
 - (3) Determine and eliminate any remaining areas of duplication of effort.
3. In order to accomplish these objectives, Mr. Macy felt that the following steps were necessary:
 - (1) Identify the Government agencies performing intelligence work and the amount of funds available for such work;
 - (2) Develop categories or classifications of intelligence work that would be applicable to all Government agencies so that a comparative review could be made; and
 - (3) Determine the cost and employment data applicable to these categories and distribute each agency's positions and funds among the selected categories.

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4. Mr. Macy summed up his discussion by saying that the information gathered would be used by:

- (1) The Budget Director and the President for over-all judgment;
- (2) The Budget Bureau staff as a basis for more meaningful review of intelligence portions of all the IAC agency budget requests in future years; and
- (3) The IAC and its member agencies for budgetary planning, operating control purposes, and reporting to NSC.

COMMENTS:

1. The Budget Bureau is not asking the CIA to review and evaluate the intelligence budgets of other Government agencies; rather, they are attempting to devise a method of collecting comparative data under common denominators which will permit summarization, comparison, and evaluation of such data by the Budget Bureau and enable them to answer pertinent inquiries by the President and Congress.

2. The Bureau of the Budget is asking the intelligence community to cooperate with and assist them in designing an appropriate analysis scheme or system, at the same time making it clear that they intend to deal in "lump sums" and broad categories and will not get into any detail of operations which might jeopardize the protection of sources of intelligence or current substantive evaluations.

3. It appears that the major immediate contribution of CIA and the other members of the intelligence community is to develop a uniform classification system among all such agencies for reporting significant types of intelligence activity. In this connection a meeting was held on 18 November; and it appears that the classifications now being used by CIA are acceptable to the other members of the community; however, no definite decision was reached and further meetings have been scheduled.


Acting Comptroller

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